

Bulletin

Message from the Chairman

Gaming in California has increased in visibility and importance in recent years. The rapidly changing industry creates a need for the general public and all other stakeholders to be informed of the latest developments. The Commission's bulletin is intended to serve this purpose. It will provide factual information and data regarding card club and tribal gaming in California. I hope you find this bulletin informative and useful. If you have any questions or comments, please feel free to contact the Commission office or visit our website at any time.

Best regards. – John Hensley

The California Gambling Control Commission and the Regulation of Gaming

The regulation and enforcement of gambling in California is shared among several levels of government. Within the card club industry, the regulatory and enforcement responsibilities are shared among the state and local governments. Within tribal gaming, the regulatory and enforcement responsibilities are concurrently shared among the federal, state, and tribal governments, with the primary responsibility residing with the Tribes and their gaming agencies.

The California Gambling Control Commission (Commission) was created by enactment of Senate Bill 8 (Lockyer, Chapter 867, Statutes of 1997), a measure that created the Gambling Control Act. The initial appointment of members to the Commission occurred in September 2000. The Commission's first budget was approved in August 2001.

The Commission is charged with the general policy of protecting the public by preventing criminal and corruptive elements from being involved in the operation or financing of gaming. To achieve that end, the Commission is responsible for setting policy, promulgating regulations, adjudicating and issuing licenses, and regulating all matters related to card club gambling. With respect to tribal gaming, the Commission makes findings of suitability on key employees, vendors and financial sources, and proposes statewide uniform regulations. In addition, the Commission serves as the Trustee and/or Administrator of various funds in the State Treasury, including the Gambling Control Fund established in the Gambling Control Act, the Indian Gaming Revenue Sharing Trust Fund, and the Indian Gaming Special Distribution Fund.

The Commission also works closely with the Division of Gambling Control (Division) within the Department of Justice. The Division's responsibilities include monitoring, investigating, and enforcement concerning gambling laws, regulations, and licensees in the State of California and reporting findings and recommendations to the Commission. Collectively, the Commission and Division form the State Gaming Agency.

Gaming Facts

California is the second largest gaming state in the nation in terms of annual gross revenues generated from all forms of regulated gambling. A report by the Little Hoover Commission, based on data from 2000, estimated California's annual gross gambling revenues to be in excess of \$6.5 billion, ranking the state second behind Nevada which generated annual gross gambling revenues of approximately \$9.5 billion for the same time period. Industry experts predicted at that time that California's annual gross gambling revenues would surpass Nevada's within the next seven years, making California the largest gaming state in the country. Although there is no empirical data concerning the growth of California's annual gross gambling revenues since the Little Hoover Commission's report, California's annual gross gambling revenues from all forms of legalized gambling may be as high as \$8.5 billion.

Card Clubs in California	
Number of Card Clubs (as of 01/01/03)	102
Number of Tables (as of 01/01/03)	1463
Amount of Annual Table Fees Paid into the Gambling Control Fund in 2002 (in millions)	\$4.2

Indian Casinos in California	
Number of Federally Recognized Tribes in California (as of 01/01/03)	107
Number of California Tribes with Tribal-State Gaming Compacts (as of 01/01/03)	61
Number of Compacted Tribal Casinos Operating in California (as of 01/01/03)	50
Number Seeking Federal Recognition as Indian Tribes in California (as of 01/01/03)	54

Indian Casino Gaming Device Licenses	
Number of Gaming Devices in Operation on 09/01/99	19,005
Additional Gaming Devices authorized by Compacts without licenses	10,801
Number of Gaming Device Licenses Approved per the Compact	32,151
Total Number of Gaming Devices Authorized in California	61,957

Indian Gaming Special Distribution Fund (SDF)	
Number of Tribes Designated to Contribute into the SDF per the Compact	28
Number of Tribes that Filed a Quarterly Contribution Report for 3 rd quarter 2002	27
Number of Tribes that Made Contributions into the SDF for 3 rd quarter 2002	26
Number of Gaming Devices Used in the Calculation to Determine Contributions into the SDF	12,041
Amount of 1 st Quarterly Contributions Received into the SDF	\$23,422,849

Indian Gaming Revenue Sharing Trust Fund (RSTF)	
Number of Tribes Eligible to Receive Distributions from the RSTF (as of 09/30/02)	75
Number of Gaming Devices Used in the Calculation to Determine Contributions into the RSTF	19,656
Total Amount of Contributions Received, Including Interest, into the RSTF (as of 09/30/02)	\$69,401,883
Amount Paid from the RSTF (as of 09/30/02)	\$69,401,883

Current Legislation

AB 113 (Chavez) - This bill would make technical, non-substantive changes to provisions of the Government Code pertaining to the Indian Gaming Special Distribution Fund.

AB 131 (Horton) – This measure would continuously appropriate moneys in the Indian Gaming Revenue Sharing Trust Fund.

California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 100
Sacramento, California 95833-4231
www.cgcc.ca.gov
(916) 263-0700